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ABSTRACT

This paper documents recent government policy changes and discusses the likelihood of their having significant, long-term impacts on policies to assist the educationally disadvantaged. It begins with an examination of traditional federal and state efforts to equalize educational opportunities through legal access guarantees, targeted categorical assistance programs, school-finance reforms, and the regulation of input and process standards. The paper then discusses why the traditional methods have been increasingly viewed as insufficient responses to securing equal educational opportunities, and examines the new approaches that have, in part, emanated from this dissatisfaction. The final section outlines some of the substantial challenges ahead for successfully implementing the new service strategies. A conclusion is that in response to weaknesses of traditional policy tools, a new set of state and federal policy reforms is beginning to emerge. Key components include more rigorous academic standards and curriculum frameworks; outcomes-driven accountability systems; more decentralized, coordinated, and citizen-responsive service-delivery arrangements; and funding strategies that focus on the assumed quality and adequacy of resource inputs in meeting designated student-achievement levels. These new initiatives differ from previous approaches in at least three ways: (1) their focus on performance outcomes; (2) the placing of policies for special-needs students within the context of improving the overall educational system; and (3) and a decreased reliance on state regulatory instruments. The future external policy environment will see a diminished federal role and tight funding constraints. The devolution of educational governance--in the form of charter schools, school choice, and block grants--may well thrive under these conditions. Information on the Finance Project and available resources is included. (Contains 28 references.) (LMI)

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SECURING EQUAL EDUCATIONAL OPPORTUNITIES

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Past Trends and Coming Challenges

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Past Trends and Coming Challenges

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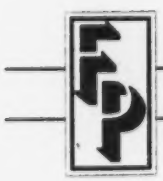

THE FINANCE PROJECT

PREFACE

Public financing for education and an array of other children's services has become a topic of significant interest and political concern. Growing skepticism among a critical mass of American voters and taxpayers has fueled doubts about the ability of government to solve social problems and provide basic supports and services that enhance the quality of life in their communities. Many believe government is too big; it's too expensive; and it doesn't work very well. Despite steadily increasing public expenditures for health, education, welfare, human services, and public safety over the past two decades, seemingly intractable problems persist. Nearly a quarter of U.S. children are poor and live in families and communities that are unable to meet their basic needs. Schools have become increasingly expensive. But student achievement hasn't matched the rising costs, and drop-out rates remain unacceptably high. Health care costs continue to go up. Yet, many Americans can't get the services they need, and with each passing year their health care dollars buy less. Criminal justice demands a dramatically increasing share of public dollars--for police officers and judges and jails--but neighborhood streets aren't safer.

Voters have spoken clearly. They want more for their money. They have called for more and better services, but they also have demanded balanced budgets and cuts in income and property taxes. In this time of big public deficits, they want government at all levels to operate more effectively and efficiently. They also want it to invest wisely and live within its means.

Across the country, there is mounting evidence of efforts to reform and restructure education and other community supports and services in order to improve the lives and future prospects of children and their families. Critical to the success of these initiatives are the ways in which they are financed. How revenues are generated and how funds are channeled to schools, human service agencies, and community development initiatives influence what programs and services are available. Financing determines how services are provided and who benefits from them. It also affects how state and local officials define investment and program priorities, and it creates incentives that guide how educators, other service providers, and community volunteers do their jobs. For these reasons, financing fundamentally affects how responsive programs and institutions are to the needs of the people and communities they are in business to serve.

In recent years, several blue ribbon commissions and national task forces have presented ambitious prescriptions for reforming and restructuring the nation's education, health, and human service systems in order to improve outcomes for children. While some have argued that public financing and related structural and administrative issues are critical to efforts to foster children's healthy development and school success, none has been framed for the specific purpose of inventively reconceptualizing public financing. Indeed, many of the most thorough and thoughtful reports have called for an overlay of new funds, but have neglected to provide cogent analyses of effective financing strategies, the costs of converting to these approaches, and the potential beneficial outcomes that might accrue from addressing financing reform as an integral aspect of program reform.

In addition, the past several years have witnessed a burgeoning of experimental efforts by mayors and city managers, governors and state agency directors, legislators and council members, program managers and school officials to make government work better and more efficiently. They have been enhanced by the work of people outside of government, including foundation executives, business and labor leaders, community organizers, and academic scholars. Some are creating new ways to raise revenues, manage schools, deliver human services, and spur community economic development. Others are designing new public governance and budgeting systems. Still others are developing and testing new approaches to more directly involve citizens in setting public priorities and maintaining accountability for public expenditures. Taken together, these efforts suggest the nascent strands of new and improved public financing strategies.

Against this backdrop, a consortium of national foundations established The Finance Project to improve the effectiveness, efficiency, and equity of public financing for education and an array of other community supports and services for children and their families. Over a three-year period that began in January 1994, The Finance Project is conducting an ambitious agenda of policy research and development activities, as well as policymaker forums and public education. The aim is to increase knowledge and strengthen the capability of governments at all levels to implement strategies for generating and investing public resources that more closely match public priorities and more effectively support improved education and community systems.

As a part of its work, The Finance Project produces a series of working papers on salient issues related to financing for education and other children's services. Some are developed by project staff; others are the products of efforts by outside researchers and analysts. Many are works in progress that will be revised and updated as new information becomes available. They reflect the views and interpretations of the authors. By making them available to a wide audience our intent is to stimulate new thinking and induce a variety of public jurisdictions, private organizations, and individuals to examine the ideas and findings they present and use them to advance their own efforts to improve public financing strategies.

This paper, *Securing Equal Educational Opportunities: Past Trends and Coming Challenges*, was prepared by Martin E. Orland and Alexandra Tan of The Finance Project staff. A preliminary draft was presented at the Roundtable on Financing for Education and Other Services for School-Age Children, convened by The Finance Project, October 12-14, 1994. The draft was reviewed by Christopher Cross, Susan Fuhrman, Allan Odden, and Susan Traiman. Their enormously helpful contributions are reflected in the final version. The paper examines the development of concepts of equal opportunity as they apply to education and other related supports and services for children and families. It reviews their strengths and shortcomings and highlights issues that are expected to emerge as reformers strive to improve outcomes for children and families by restructuring and reshaping public programs and services.

Cheryl D. Hayes
Executive Director

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INTRODUCTION

Securing equal educational opportunities for all children has been a compelling rationale for federal and state educational policy for over four decades. Beginning with the 1954 *Brown vs. Board of Education* Supreme Court decision declaring the concept of "separate but equal" schools unconstitutional, federal and state governments have developed and implemented a panoply of policies explicitly designed to assist classes of children who were being ill-served by the existing educational system.

This constancy of purpose in the federal and state roles may obscure more subtle, but nevertheless important, recent changes in government policies designed to increase equal educational opportunity. In fact, there have been significant shifts in concepts, methods, and approaches used to secure equal educational opportunity over the last decade. Influenced by the broader educational reform movement sparked by *A Nation at Risk*, the National Education Goals, and the development of new, rigorous academic standards and assessment systems, these new and emerging methods have begun to affect how efforts to secure equal educational opportunities are financed and structured. They focus on achieving ambitious student outcomes for all disadvantaged students, increasing the decision-making authority of schools, communities, and parents, and integrating compensatory service strategies within the broader context of systemic educational reform.

The primary intent of this paper is to document these changes and to discuss the likelihood of their having significant, long-term impacts on policies to assist the educationally disadvantaged. This paper begins by examining traditional federal and state efforts to equalize educational opportunities through legal access guarantees, targeted categorical assistance programs, school finance reforms, and the regulation of input and process standards. It then discusses why the traditional methods have been increasingly viewed as insufficient responses to securing equal educational opportunities, and examines the new approaches that have, in part, emanated from this dissatisfaction. The final section of the paper outlines some of the substantial challenges ahead for successfully implementing the new service strategies.

TRADITIONAL METHODS TO EQUALIZE EDUCATIONAL OPPORTUNITIES

Historically, child advocates have turned to state and federal governments to ensure that all children have equal educational opportunities. They have justified this involvement on two grounds. First, they argued, non-supportive local political contexts prevented these governments from protecting the interests of disadvantaged groups such as the poor, minorities, the limited English proficient (LEP) and students with disabilities. Second, even when localities were willing to support the interests and special needs of disadvantaged pupils, they lacked the fiscal capacity to do so.

Efforts at the Federal Level to Equalize Educational Opportunities

At the federal level, reformers have successfully used the government to guarantee legal, equal access to educational facilities and services, and to provide targeted categorical program assistance for pupils with special educational needs.

Legal Access Guarantees

Over the last three decades, reformers have sought and received federally guaranteed access to educational facilities and to teaching resources for a variety of student groups. These efforts sought to guarantee that *all* children--including those who previously had been denied access to mainstream educational programs based on race, language, or physical or mental disabilities--would receive the education necessary to enable them to succeed in life by guaranteeing physical access to facilities and services as well as appropriate educational opportunities for children with special needs.

Several milestones are important in the effort to guarantee educational access for all children. The landmark 1954 *Brown v. Board of Education* decision overturning the doctrine of "separate but equal" schools is the first, and probably the most noteworthy, of these. Prior to *Brown*, black and white school children were often compelled by state or local law to attend segregated schools. This practice had been legally sanctioned by the U.S. Supreme Court in the *Plessy v. Ferguson* decision of 1896, with the court declaring that separate but equal facilities did not violate the equal protection clause of the U.S. Constitution. In *Brown*, the Supreme Court overturned *Plessy*, stating that "in the field of public education the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal." The *Brown* decision encountered considerable initial resistance, and the pace of desegregation was quite slow in the decade following the ruling. It quickened markedly thereafter (especially in the south), partly because the 1964 Civil Rights Act gave the U.S. Department of Health, Education and Welfare the authority to withhold federal funds for jurisdictions failing to comply with desegregation mandates (Meier, Stewart, and England, 1989).

Access guarantees for other groups were won in the early 1970s. The passage of two pieces of federal legislation granted children with disabilities--many of whom were denied the educational opportunities available to their non-disabled peers--legal access guarantees similar to those granted in *Brown*. In 1973, Congress amended the Rehabilitation Act to prohibit organizations receiving federal financial aid from denying disabled children access to school programs open to their non-disabled peers. Like other civil rights legislation, this law allowed the federal government to withhold federal funds from organizations that did not comply with this mandate.

The Individuals with Disabilities Education Act (IDEA)[1] provided even greater legal protection for children with disabilities. It guarantees children the right to a free, appropriate education regardless of disability. Under the provisions of the law, schools are required to implement procedural safeguards to ensure that parents and students are informed of their rights, that individualized education programs are developed for each child with a disability, and that children with disabilities are educated in the least restrictive environments possible.

In the 1974 case, *Lau v. Nichols*, the U.S. Supreme Court issued another decision which expanded education access guarantees. The court ruled that local school districts must take affirmative action to correct language deficiencies that hinder children with limited English proficiency from effective participation in district educational programs. Although it did not

[1]Originally the 1975 Education for All Handicapped Children Act.

endorse bilingual education, the *Lau* decision supported the notion that all schools must not only provide physical access for children to learn, but must also guarantee that education services are provided in a manner which actually has the potential to *educate* students. This sentiment is expressed in the decision: "there is no equality of treatment merely by providing students with the same facilities, textbooks, teachers, and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education."

Categorical Programs

Educators and child advocates have also worked to establish federal categorical programs which provide targeted services to disadvantaged children as a means to equalize educational opportunities among all children. In brief, federal programs are designed to focus on individual children and provide supplemental remedial or other services. Detailed procedures and regulations governing the use of program funds were developed for the operation of each program to ensure that federal funds were spent only on the targeted populations, whether they be disadvantaged children, children with disabilities, or other groups of children with special needs.

The largest federal categorical program for education is Title I of the Elementary and Secondary Education Act.[2] The program, which began in 1965, is designed to provide disadvantaged children with compensatory education services. Many districts operate Title I programs as pull-out programs to ensure that eligible children receive supplemental services. Children are "pulled out" of their regular classes, either individually or in small groups, to receive intensive instruction in a particular subject, usually reading or mathematics. Since the aim of the program is to provide compensatory education to disadvantaged children, a complex system of administrative structures has been created to ensure that disadvantaged children actually receive additional services. These structures and other safeguards were created after early evaluations of the program found that funds were often diverted at the local level to other uses. For example, some districts shifted local funds so that Title I funds replaced regular local funding in some schools, while many schools invested in construction or other capital projects (U.S. Department of Education, 1992).

In addition to guaranteeing access for children with disabilities, the Individuals with Disabilities Education Act also lays out an elaborate program and regulatory structure detailing how such children should be served. The law requires schools to formally assess and determine the specific nature of a child's disability, and then to construct (with approval of the child's parent or guardian) an individualized education plan (IEP), tailored to meet the identified educational needs. Most students participating in IDEA programs are classified as having relatively mild learning disabilities or speech impairments. As in the Title I program, the vast majority of these students receive special remediation for only a small portion of the

[2]The program was called "Chapter 1" from 1981 until the passage of the Improving America's School Act in October of 1994 (PL 103-382). In this paper, we use its original and current designation of Title I.

school day, typically by being pulled out of their regular instructional program.[3] Traditionally, nearly all students with more severe disabilities, such as mental retardation or multiple special needs, were placed in separate, self-contained classrooms or schools for large parts of the school day. However, in recent years, the movement for greater "inclusion" has led to increasing numbers of such students being mainstreamed into regular classrooms alongside their non-disabled peers (Schnaiberg, 1995).

Instructional methods used in most categorical education programs have been heavily shaped by the rules and regulations for delivering such services, often referred to as a "picket fence" system (Orland, 1994). Under this system, each categorical program has a "vertical service delivery" mechanism whereby policy objectives are set at the federal level and delivered at the local level, based on a complex web of regulations defining the particular method of service delivery. Because service delivery arrangements for the categorical programs are defined at the federal level, they may bear little relation to the instructional objectives and methods of other federal programs or to those of the local school district at the classroom level.

Efforts at the State Level to Secure Equal Educational Opportunities

While states have developed their own categorical programs that mirror federal efforts, their major contribution to securing equal educational opportunities has been to regulate the overall level and nature of resources in public school systems. School finance policies and standard-setting have been the primary policy instruments employed.

School Finance Reform

Public education in the United States is funded through a combination of federal, state, and local revenues. However, the majority of these funds are raised by state and local governments. The relative importance of state and local funding sources varies considerably amomg states. Nationally, local revenues accounted for 46 percent or nearly half of the funds raised for education during the 1993-94 school year (Gold and Ellwood, 1994). However, in New Hampshire, schools received nearly 90 percent of their funding from revenue raised at the local level in 1991-92, while in New Mexico less than 12 percent was raised from local sources (National Center for Education Statistics, 1994).

Heavy dependence on local revenues has significant implications for providing equal educational opportunities for children. In particular, the resources available to school children are closely linked to the property wealth of the school district in which the children reside. Since local zoning ordinances often create conditions that segregate neighborhoods according to wealth, considerable disparities often exist among school districts. This lack of resources may have significant adverse effects for poor children or other children with special educational needs who live in these districts. State school aid formulas can conceivably reduce or eliminate these disparities.

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[3]In fact some scholars have noted the large overlap in remedial need and instructional services among students designated "Title I" and "learning disabled" (see Pugach, 1994).

In the late 1960s and early 1970s, equity advocates attempted to sever the link between per-pupil property wealth and per-pupil educational spending through litigation. Court cases were filed in a number of states. The cases generally focused on revamping state school finance systems to reduce disparities in educational inputs (namely, expenditures per pupil).

Advocates representing children in property-poor districts argued that tying education spending to neighborhood property values violated the Fourteenth Amendment of the U.S. Constitution, which guarantees that no state shall "deny to any person within its jurisdiction equal protection of the law." This strategy was first applied successfully in a case in California, *Serrano v. Priest*. The court's ruling in *Serrano* initiated a large number of court cases in states across the country. Using arguments similar to those used in California, advocates filed court cases in over 30 states. In 1973, however, in a case from Texas (*Rodriguez v. San Antonio School District)* the Supreme Court rejected the argument that education is a fundamental right guaranteed by the U.S. Constitution, thereby discouraging further litigation at the federal level.

After the failure of *Rodriguez* to change state school finance systems, those seeking to equalize educational funding through the courts began concentrating their energies at the state level. In some cases, they argued that large spending disparities between school districts violated the state constitution's education mandate. In others, they maintained that the state constitution's equal protection clause prohibited school funding based on the relative wealth or income levels of neighborhood residents.[4]

Although not all school funding changes were spurred directly by court decisions, 35 state legislatures enacted major changes in their school finance formulas between the early 1970s and mid-1980s. In general, these revisions enlarged the state role in education financing. State aid formulas were revised to increase funding for a number of groups: property-poor districts, urban districts, and children with special needs (Odden and Picus, 1992).

Input and Process Standards

State governments have also played an important role in establishing minimum input and process standards to ensure equal educational opportunities for all students within their jurisdictions. These standards were originally established by states in the mid-1800s in order to equalize the considerable variation in educational services that existed among local systems. In particular, education reformers of the day sought to guarantee that children in less affluent areas received the basic components of a "good" education; for example, that children attended class for a given period of time, and received instruction from qualified teachers. Furthermore, financial reporting standards were established to ensure that corrupt local governing bodies did not channel resources into activities other than education.

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[4]For a comprehensive summary of judicial rulings in school finance over the last 20 years see The Finance Project publication by Van Slyke, Tan and Orland, *School Finance Litigation: A Review of Key Court Cases.*

Over the past two decades, state regulations and statutes detailing school inputs and processes have grown significantly, both in complexity and volume (Elmore and Fuhrman, 1993). Many state regulations now go well beyond minimum basic standards for teacher certification, financial reporting, and classroom time to include complex accreditation and monitoring plans that track compliance with state policy directives. For example, over half of the states currently specify mandated courses of study, school approval standards, and professional development opportunities applicable to all its schools (Selden, 1993).

DISSATISFACTION WITH TRADITIONAL METHODS

Despite these concerted efforts to ensure equal access and additional financial and program support for students from disadvantaged backgrounds, differences in educational outcomes have not improved at the anticipated rate (Smith and O'Day, 1991). This has led, among educators as well as child advocates, to a growing recognition of the limits of traditional approaches.

The Insufficiency of Traditional Access Guarantees

Reformers have become increasingly aware that physical access guarantees alone are insufficient to secure equal educational opportunities. Despite strides made in racial integration and educating students with disabilities, within-school tracking systems still dominate the American educational landscape. The result is that disadvantaged students in particular are likely to have inadequate opportunities to learn challenging academic content (Oakes, 1985; Gamoran and Mare, 1989; Pugach, 1994). Their legal access to schools also attended by their more advantaged peers does little to ensure that they actually receive the classroom instruction and support needed to master higher skills and achieve high learning outcomes.

The Marginal Effectiveness of Narrow Categorical Programs

Reformers have also started to recognize that narrow program targeting created by categorical programs may not be an effective pedagogical approach. Special programs often isolate children, to the detriment of their educational effectiveness. For example, the most recent national evaluation of Title I found inadequate articulation between Title I secondary school services and regular educational program offerings. As a result, program participants frequently were not receiving the most appropriate services for their future employment and educational needs (U.S. Department of Education, 1993). The reason such educationally dysfunctional practices persist is that the vertical accountability systems have led most state and local program administrators to be more concerned with the question of whether the "proper" educational inputs and processes have been employed, and less with the program's effect on student performance (Orland, 1994).

Many educators have also found that categorical programs do not create incentives to ensure that children are instructed to master challenging material. In particular, remedial instruction fails to motivate children to meet high achievement goals. The lack of challenging content material is reinforced by teaching methods that focus on minimizing problems rather

than emphasizing progressive problem solving. These methods resolve management problems effectively by eliminating difficult curricula, however, they do not encourage children to learn complex skills (Reynolds, 1994).

The ability of categorical programs to secure equal educational opportunities has also been diminished by the changing needs of children and families. Demographic changes, such as higher poverty rates among children, increasingly diverse family structures, and higher labor force participation rates among women, means that increasing numbers of children are coming to school with a multiplicity of interrelated needs. Narrow, targeted categorical program arrangements do not address these needs well. While schools and social service agencies have endeavored to deal with the expanded needs of children, the fragmentation between education and other service delivery systems has frustrated these efforts. Children often slip through the cracks between the various service delivery providers or are under-served. In fact, many children, families, and service providers are unaware that complementary public services even exist, and therefore they do not seek out potential help (Committee for Economic Development, 1991; Kirst, 1992).

The Marginal Impacts of School Finance Equalization

Those seeking to equalize educational opportunities through school finance litigation also have come to recognize the limits of this approach. During the 1980s, state courts were hesitant to find school finance systems inequitable for several reasons, including fears that these rulings would set undesirable precedents. Although a number of state courts have overturned school funding systems during the 1990s on the basis of constitutional language that is unlikely to affect other services; judicial deference to the legislature remains very strong in some states and may continue to constrain severely the influence that court challenges have on the redistribution of resources.

Even when courts have overturned school funding systems, tight public budgets and public opposition to either increased taxes or the perception of diminished local control have limited the ability of state legislatures to design more equitable funding systems. Thus, changes in school funding formulas have only experienced limited success in equalizing spending. State aid to poor districts did increase between the early-1970s and the mid-1980s; however, inequities in school spending did not change significantly during this period. The relationship between property wealth and school spending, one that many involved in school finance reform had hoped to weaken, also remained relatively stable (Odden and Picus, 1992).

Another significant factor that has limited the impact of school finance reform on elevating student outcomes is the weak and indirect connection between educational outcomes and spending levels. Increases in financial resources for schools may translate into any of a number of changes: for example, increases in teacher salaries, decreased teacher-student ratios, upgrades in technological or other classroom resources, or increases in administrative personnel. Some may enhance student achievement, while others have negligible impacts at best. Increasingly, education researchers have come to recognize that the

issue of *how* available resources are used is at least as important a factor in student achievement as their level (Hanushek, 1994).

The Lack of Stringent State Mandates

The ability of state governments to secure equal educational opportunities for all children through ever-increasing numbers of state input and process mandates has also been limited. While voluminous in nature, the standards are rarely rigorous, and therefore, typically affect only a small number of localities. State legislatures have been constrained by a number of forces, including political pressure to minimize state control over local decisions (Elmore and Fuhrman, 1993). As a result, state standards usually have been designed to ensure that students are guaranteed the minimum levels of classroom time, exposure to different content matters, and teachers with related subject matter knowledge. In addition, the erosion of state administrative capacity has diluted the threat to schools of state monitoring and enforcement to implement even minimum standards.

NEW REFORM STRATEGIES AND THEIR IMPLICATIONS FOR DISADVANTAGED POPULATIONS

Partly in acknowledgment of the limited successes of the strategies enumerated above, state and federal policymakers have started to implement substantially different approaches. The specific proposals and initiatives vary considerably. However, they can generally be distinguished from earlier reform efforts because they focus less on marginal improvements to existing delivery mechanisms, and more on fundamentally altering how services are organized and structured.

Many of these recent efforts fall under the label of "systemic education reform" (Smith and O'Day, 1991), and involve dramatic changes in both education governance and pedagogy. Under systemic reform approaches, the primary role of the state changes from regulating school inputs and processes to instructional guidance and system "steering." The state provides a unifying vision of schooling communicated through new curriculum frameworks, assessment and accountability systems, financing strategies, and related broad policies. Their central mission changes from implementing standardized rules and procedures to assisting schools in implementing more effective instructional practice. Schools, in turn, are given much greater autonomy and flexibility in shaping instruction, consistent with this vision. Clearly, changes such as these have the potential to affect services to students with special educational needs in far-reaching ways.

Recent State Policy Changes

Elements of a new systemic education reform agenda potentially affecting services to the educationally disadvantaged can be seen in several recent state policy initiatives. A number of states have designed or revamped their curriculum frameworks to stress the acquisition of far more challenging academic content by all students. The new frameworks are often reinforced by related state reforms in testing programs (from standardized multiple-choice exams to more performance-based assessments of higher-order thinking and problem solving

abilities), accountability mechanisms (for teachers and school systems), policies for textbook adoption, materials development and teacher training, and attempts to foster stronger institutional linkages between education and other children's service providers. From the perspective of ensuring equal educational opportunity, these new policies are most noteworthy in placing the special needs of disadvantaged groups into the broader context of systemic educational improvement, under which all students (including the disadvantaged) are expected to achieve at dramatically higher levels. Prominent examples of states pursuing systemic reform policies include California, Delaware, Kentucky, South Carolina, and Vermont.

State-sponsored charter schools and school choice programs represent two other increasingly popular state reforms that can have major implications for serving the disadvantaged. Both reflect state efforts to debureaucratize the teaching and learning process by altering the structural relationship between schools, the state, and the public. Charter schools (now permitted by legislation in eleven states) aim to reform the way schools are run by exempting them from many state regulations in exchange for being held accountable for higher student achievement outcomes. School choice programs attempt to simulate market mechanisms to improve educational quality by allowing students to choose the school they attend and tying school funding levels to the number of attendees. Advocates of these strategies to promote equal educational opportunity point to successes such as the Vaughn Next Century Learning Center in Los Angeles (a charter school where increased flexibility led to dramatic changes in school structure and higher student test scores) and the school choice program administered by District 4 in East Harlem.

The arguments and strategies pursued by school finance reformers also have changed as a result of the recent education reform movement. More litigants are now pursuing approaches that examine program adequacy (or inadequacy) in trying to convince courts to overturn school funding formulas. Rather than concentrating on disparities in spending, and the fairness and appropriateness of these differences, litigants are increasingly documenting the lack of program adequacy in areas where children fail to obtain high minimum-achievement levels. Proposed remedies typically couple changes in education policy with changes in funding mechanisms--e.g., shifting school finance formulas from a combination of base funding and ungrounded compensatory aid to mechanisms that attempt to relate resource levels to those necessary to meet high minimum outcomes (Clune, 1993).

Adequacy arguments have been used successfully in at least three states: Alabama, Kentucky, and Massachusetts. Kentucky's experience is particularly noteworthy because of its breadth. In addition to restructuring the state's school financing system, the legislature completely overhauled the state's educational governance and program structure in response to a recent court decision. In Alabama, as well, the court's ruling went beyond the realm of school finance, declaring the entire system of education unconstitutional.

Recent Federal Policy Changes

Many of the new state policies noted above both reflect and are reinforced by complementary recent shifts in federal education policy. For example, new provisions under Title I liberalize

the conditions under which comprehensive schoolwide projects can be allowed. They also change the program accountability system so that the performance of Title I students will be assessed using the same high achievement standards employed for all students.

The Goals 2000: Educate America Act demonstrates an even more fundamental shift in federal strategy for ensuring educational opportunity from targeted categorical programs to broader, systemwide reforms. The Act (passed in March of 1994) provides funds for states and localities to support, accelerate, and sustain efforts to help all students reach challenging academic standards. Funds are not targeted to individual students, but rather are awarded to states that develop systemic school improvement plans as well as strategies for all students (including the educationally disadvantaged) to learn at higher levels. The states, in turn, must provide the majority of these funds to schools to implement these plans. The legislation also supports the development of a system of voluntary national standards, new assessment systems to determine whether they are being met, and systemwide models or standards for determining whether all students are being given the "opportunity to learn" the rigorous curricula content.

Greater coordination between services provided to children within and outside their schools is another area that has recently received unprecedented federal legislative attention. In particular, policymakers have been recommending greater collaboration between schools and other social services. Goals 2000, the reauthorized Title I program, the School to Work Opportunities Act, the Violent Crime Control and Law Enforcement Act, the Family Preservation and Support Act, and Head Start all have new or enhanced funding designed to foster such collaboration.

CHALLENGES AHEAD

While efforts to emphasize performance outcomes, interagency collaboration, and new school governance structures are reflected in a number of recently enacted federal and state policies, it is too soon to tell whether these initiatives will ultimately prove viable and sustainable. The history of education policymaking is replete with "reform" cycles (Cuban, 1990), where new policy prescriptions gain temporary favor only to be ultimately found wanting. Some have argued that much in the current body of educational reforms will have more durability and national impact because its proponents have included not only major segments of the academic and professional communities, but also key national agenda-setting bodies such as the Council of Chief State School Officers, the National Governors' Association, the National Education Goals Panel, and the U.S. Department of Education (Stevenson and Orland, 1990). Perhaps the most basic challenge to the new reform agenda will be accommodating the changing political context in which the reforms now find themselves.

As noted, recent federal legislation was deliberately designed to buttress emerging state systemic reform policies in such areas as curriculum development, accountability, assessment, and more coordinated and comprehensive service provision. The 104th Congress could very well modify or eliminate many of these newly enacted policies as well as more longstanding aid structures. Former Bush Education Secretary Lamar Alexander, former

Assistant Secretaries Checker Finn and Diane Ravitch, the Cato and Hudson Institutes, and the Heritage Foundation are among those proposing sweeping federal legislative overhauls. Their most prominent targets include the system for certifiying national and state curriculum standards outlined under Goals 2000, nationally certified models of "opportunity to learn," federal funding to build state and local systemic reform capacity, and the existence of separate federal funding streams and service mandates for special needs pupils (e.g., Title I, special education, bilingual education).

Independent of the federal role, changing state political and fiscal contexts are also likely to affect the adoption and implementation of the current reform agenda. As some of the new reforms have gained prominence, so too have they attracted powerful political opponents. New outcomes-based state curriculum frameworks, for example, have become inviting targets for some politicians and advocacy groups, leading to major policy reversals in several states, including Pennsylvania and Virginia. Similarly, generally slow state economic growth and citizen antipathy to tax-and-spend increases are likely to make it more difficult for states to mount any reforms requiring additional resource investments. While a number of states are considering or have enacted new and potentially more equitable education financing arrangements which shift some of the revenue burden from the local property tax to the state (Michigan providing the most dramatic example), their effects may diminish overall education resource levels. The evidence is strong that local revenue shortfalls for education resulting from such policies will not be made up with commensurate increases in state aid (Odden, 1994).

In what ways then are these contextual conditions likely to affect the new reform initiatives previously discussed? While it's always problematic to predict future events, the following three postulates are offered for consideration:

First, some components of the new education reform agenda are much more likely to survive and prosper than others. New governance arrangements aiming to grant increased power and authority to localities, schools, and citizens will probably fare best in the new policy context. These reforms, which include charter schools, school choice, and block grants, are congruent with general voter attitudes favoring the debureaucratization of government services. They also enjoy broad support among political leaders from both parties, and do not necessarily require additional funding.

On the other hand, federal and state attempts to influence more directly the character of teaching and learning through systemic reform policies may prove more difficult to sustain. Despite widespread support among education policymakers for changes in school curricula, instruction, and testing so that students acquire higher-order thinking, reasoning, and problem solving skills, such changes do not register as particularly salient issues with the public at large (Johnson and Immerwahr,1994). Therefore, favorable political and economic conditions are especially vital for both legitimizing the new initiatives and providing a reasonably stable and secure resource base for their implementation.

To compensate for a reduced federal role and the anticipated political and financial challenges ahead, it may be necessary for advocates of these reforms to be more aggressive in developing strategic coalitions with other well-established organizational entities sharing

aspects of this reform agenda. These might include the groups developing the national content standards, professional standards, and new assessment instruments: professional associations and interest groups such as the Council of Chief State School Officers, the National Governors' Association, parent teacher associations, teacher unions, and the business and foundation communities.

Second, the new external conditions may make already difficult substantive challenges endemic to implementing the new education reform agenda even more formidable. The new reform agenda is extremely ambitious in scope, proposing to restructure a set of administrative, financing, and instructional practices that have been relatively stable for a quarter century or more. To succeed, new knowledge and capacity need to be developed among state officials and other policy actors, and an array of new models, tools, and techniques need to be created to facilitate policy implementation. The task is likely to be made more daunting with reduced technical, political, and financial help resulting from less supportive federal and state contexts. Among the specific substantive challenges likely to be affected are the following:

- Forging consensus around rigorous academic standards and obtaining local community backing for their adoption and use;

- Establishing new assessment systems and benchmarks that measure individual and systemwide progress in meeting performance targets;

- Defining the operational components of an "adequate" education necessary to meet the specified standards, as well as the components and effective uses of opportunity to learn models or standards in revamped performance-based education systems (including new financing models);

- Developing cost-effective administrative and instructional practices that are linked to the standards and are likely to enhance educational performance. Examples include new teaching methods, teacher training strategies, uses of technology, governance arrangements, coordinated service approaches, and budgeting and compensation structures; and

- Employing workable models for overcoming legal, administrative and financial barriers to implement new state and local comprehensive service initiatives such as pooled funding arrangements, interagency service agreements, and sustainable revenue streams.

Third, the new policy environment is likely to weaken the support of traditional advocates of equal educational opportunity for the current wave of reforms. Child advocates began to consider new strategies for achieving equal educational opportunities because of dissatisfaction with the effectiveness of traditional approaches. As noted earlier, they

increasingly recognized the limits of legal access guarantees, narrowly targeted categorical program provisions, equalized school finance formulas, and additional input and process regulation for achieving their principal objective: dramatically enhanced educational performance for disadvantaged students.

New approaches--tied more directly to performance outcomes, systemwide reform, and broader, more decentralized, and flexible service delivery arrangements--may hold more promise for achieving this objective. But they also entail more risk. Less explicit service input mandates make it easier for administrators and educators to ignore the needs of disadvantaged groups. Devolved decision-making authority and enhanced program flexibility bring with them the prospect of reduced funding to special needs populations, especially when local budgets are under stress.

The specific contours of federal and state policies in areas such as curriculum and assessment reform, decategorization, charter schools, and finance reform can greatly affect the perceptions of these risks. For example, they can be structured to include tough performance accountability provisions specific to disadvantaged populations, or employ other policy tools that provide legal, procedural, and/or financial safeguards for special needs groups. This is why, especially in the current context, traditional child advocates can be expected to be particularly ardent (and perhaps lonely) supporters of a strong federal and state role in shaping and implementing the roster of new educational reforms.

Conversely, the absence of such protections may well heighten the view within the child advocacy community that the risks associated with current policy reform initiatives outweigh any potential benefits. For example, broader and more flexible federal or state categorical grant arrangements--if combined with reduced overall resource levels--are likely to be viewed as reforms that unacceptably raise the vulnerability of disadvantaged groups to funding cutbacks. If the 1980s are any guide, child advocates under these circumstances can be expected to adopt a "back to basics" approach to securing equal educational opportunities: protecting traditional categorical program structures, minimizing the impacts of budget cuts, and relying heavily on the courts to maintain or enhance access and financial input guarantees.

SUMMARY AND CONCLUSION

The past decade has witnessed some basic rethinking among leading education policymakers, academics, and interest groups regarding the kinds of policies and programs needed to secure equal educational opportunities for all Americans. While policy reformers and advocates have continued to recognize the contributions of long-established policy tools in achieving equal educational opportunity objectives--legal access guarantees, categorical program support, school finance equalization, and minimum input and process standards--they also have come to appreciate some of the limitations of these approaches. Among them are an insufficient focus on classroom curricula and instructional quality, fragmented and incoherent service offerings encouraged by narrow categorical funding structures, and an emphasis on achieving equity in dollar resource allocations without also considering how to restructure resource use to attain significantly higher academic outcomes.

Partly in response to these weaknesses, a new set of state and federal policy reforms is just beginning to emerge. Key components include more rigorous academic standards and curriculum frameworks, outcomes-driven accountability systems, more decentralized, coordinated, and citizen-responsive service delivery arrangements, and funding strategies that focus on the assumed quality and adequacy of resource inputs in meeting designated student achievement levels.

From the perspective of securing equal educational opportunity, these new initiatives represent dramatic departures from previous approaches in at least three ways: their focus on performance outcomes, the placing of policies for special needs pupils within the context of improving the overall educational system, and a decreased reliance on state regulatory instruments. While one is hard-pressed to identify public sector precedents (in any service area) for the scope of system change being contemplated by reform advocates, it is equally clear that high levels of consensus among policy leaders around new reform paradigms have created a unique change dynamic.

Despite such consensus, and some impressive initial achievements in federal and state policy as well as in the courts, major political and substantive hurdles to the new reform agenda remain. These will likely be affected by an external policy environment which, in the foreseeable future, may be characterized by both a diminished federal role and tight funding constraints.

Elements of the new reform agenda that attempt to devolve educational governance arrangements--such as charter schools, school choice, and block grants--may well thrive under these conditions. Decisions about curriculum, staffing, funding priorities, and instructional strategies may increasingly be made at the school and community levels, and parents are likely to be given greater options for their children's schooling.

What is considerably less clear is the degree to which state and federal instructional guidance, financial subsidies, and accountability mechanisms will accompany such autonomy. This is likely to be a prime education policy battleground in the days ahead, with traditional advocates of equal educational opportunity expected to oppose new systems of devolved authority and regulatory relief unless they also include policies that embody adequate performance expectations, accountability safeguards, and funding levels for disadvantaged students.

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THE FINANCE PROJECT

The Finance Project is a national initiative to improve the effectiveness, efficiency, and equity of public financing for education and other children's services. With leadership and support from a consortium of private foundations, The Finance Project was established as an independent nonprofit organization, located in Washington, DC. Over a three-year period that began in January 1994, the project is undertaking an ambitious array of policy research and development activities, as well as policymaker forums and public education activities.

Specific activities are aimed at increasing knowledge and strengthening the nation's capability to implement promising strategies for generating public resources and improving public investments in children and their families, including:

- examining the ways in which governments at all levels finance public education and other supports and services for children (age 0-18) and their families;
- identifying and highlighting structural and regulatory barriers that impede the effectiveness of programs, institutions, and services, as well as other public investments, aimed at creating and sustaining the conditions and opportunities for children's successful growth and development;
- outlining the nature and characteristics of financing strategies and related structural and administrative arrangements that are important to support improvements in education and other children's services;
- identifying promising approaches for implementing these financing strategies at the federal, state and local levels and assessing their costs, benefits, and feasibility;
- highlighting the necessary steps and cost requirements of converting to new financing strategies; and
- strengthening intellectual, technical, and political capability to initiate major long-term reform and restructuring of public financing systems, as well as interim steps to overcome inefficiencies and inequities within current systems.

The Finance Project is expected to extend the work of many other organizations and blue-ribbon groups that have presented bold agendas for improving supports and services for children and families. It is creating the vision for a more rational approach to generating and investing public resources in education and other children's services. It is also developing policy options and tools to actively foster positive change through broad-based systemic reform, as well as more incremental steps to improve current financing systems.

RESOURCES FROM THE FINANCE PROJECT

Working Papers:

Reform Options for the Intergovernmental Funding System: Decategorization Policy Issues by Sid Gardner (December 1994)

School Finance Litigation: A Review of Key Cases by Dore Van Slyke, Alexandra Tan and Martin Orland, with assistance from Anna Danegger (December 1994)

Spending and Revenue for Children's Programs by Steven D. Gold and Deborah Ellwood (December 1994)

The Role of Finance Reform in Comprehensive Service Initiatives by Ira M. Cutler (December 1994)

Securing Equal Educational Opportunities: Past Efforts and Coming Challenges by Alexandra Tan and Martin Orland (February 1995)

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